

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF WEST VIRGINIA**

IN RE:

PrimeCare Medical of West Virginia, Inc.

Debtor.

Case Number: 6:24-bk-60001

Chapter 7

Judge B. McKay Mignault

MEETING OF CREDITORS

**FEBRUARY 15, 2024
9:30 A.M.**

ZOOM VIDEO MEETING

**Wendy M. Thomas
Certified Court Reporter**

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A P P E A R A N C E S

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Bankruptcy Trustee:

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Beth Kavitz
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Amanda Davis
Calwell Luce diTrapano, PLLC
Representing ~ Wanda Perdue, the Estate of Charles Perry

Stephen New
Stephen New & Associates
*Representing ~ The putative class in the Rose matter as well
as Rebecca Chapman in a stand-alone case and a number of
other individuals*

T A B L E O F C O N T E N T S

WITNESS

EXAMINATION

Thomas John Weber

Mr. Fluharty Pg 5

Ms. Davis Pg 21

Mr. New Pg 51

EXHIBITS MARKED FOR IDENTIFICATION

EXHIBIT

MARKED

(None offered.)

REPORTER'S CERTIFICATE

Pg 69-70

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P R O C E E D I N G S

MR. FLUHARTY: All right. We are going --

FEMALE VOICE: To Joe.

MR. FLUHARTY: -- back to Joe Supple. All right.
Can you hear me, Joe?

MR. SUPPLE: Yes. Can you hear me?

MR. FLUHARTY: I can very well. Thank you. And
the next case on today's docket is PrimeCare Medical of West
Virginia, Incorporated. Case Number 24-60001. Do you have
the representative of PrimeCare in your office, or is that
Mr. Weber?

MR. SUPPLE: Mr. Weber. He's remote, so he's
calling from his office.

MR. FLUHARTY: Very well. I'm going to --

FEMALE VOICE: What is his name?

MR. FLUHARTY: Tom Weber.

FEMALE VOICE: Tom Weber?

MR. FLUHARTY: Uh-huh.

FEMALE VOICE: W-E-B-E-R?

MR. FLUHARTY: Uh-huh. All right.

FEMALE VOICE: And his title?

MR. FLUHARTY: What's his title of the corporation?
President?

MR. SUPPLE: CEO.

1 MR. FLUHARTY: CEO. Okay. All right. The next
2 case on today's docket is PrimeCare Medical of West Virginia,
3 Incorporated. Case Number 24-60001. Mr. Weber, Thomas
4 Weber, is the representative of PrimeCare testifying today.
5 Mr. Weber, would you please raise your right hand.

6 (Witness sworn.)

7 (WHEREUPON,

8 **THOMAS JOHN WEBER**

9 WAS CALLED AS A WITNESS, DULY SWORN, AND
10 TESTIFIED AS FOLLOWS:)

11 **EXAMINATION**

12 BY MR. FLUHARTY:

13 Q. Would you please state your full name and address
14 for the record?

15 A. Thomas John Weber. 3940 Locust Lane, Harrisburg,
16 Pennsylvania 17109.

17 FEMALE VOICE: Do you want the address of the
18 business?

19 BY MR. FLUHARTY:

20 Q. And can you give me the address of PrimeCare
21 Medical of West Virginia? The last operating address.

22 A. It would have been the same.

23 Q. Can you identify for me the owners, officers of
24 PrimeCare Medical?

1 A. PrimeCare Medical of West Virginia, Inc. is a
2 wholly owned subsidiary of PrimeCare Medical, Inc. Its
3 officers include myself --

4 Q. You're the president?

5 FEMALE VOICE: CEO.

6 THE WITNESS: I'm the CEO.

7 BY MR. FLUHARTY:

8 Q. CEO of?

9 A. And secretary.

10 Q. You're the CEO and secretary of PrimeCare?

11 A. Medical of West Virginia, Inc.

12 Q. And are there any other officers?

13 A. Yes.

14 Q. Who else?

15 A. Brent Badington, B-A-D-I-N-G-T-O-N, is the
16 president.

17 Q. All right.

18 A. And Todd Haskins, H-A-S-K-I-N-S, is the chief
19 operating officer.

20 Q. All right. What kind of a corporation is PrimeCare
21 Medical of West Virginia?

22 A. It is a subchapter S.

23 Q. When was it incorporated?

24 A. I'm sorry, did you say when?

1 Q. Yes.

2 A. 1998.

3 Q. Can you tell me a little bit about what it does, or
4 did?

5 A. What it did, it was a correctional health care
6 company providing full service health care to incarcerated
7 individuals in the State of West Virginia that were detained
8 either in the Division of Juvenile Services or the Regional
9 Jail Authority system.

10 Q. When did it last operate?

11 A. June 25th of 19, or excuse me, of 2022.

12 Q. Why did it -- Why did it -- What happened to it?
13 Why did it cease to operate?

14 A. When Governor Justice took office, one of his
15 initiatives throughout the state was to consolidate a lot of
16 agencies in an effort to conserve resources, financial
17 resources. So there was a movement afoot from approximately
18 2018 all the way to 2022 to consolidate the health care
19 services for the juvenile detention centers, the Regional
20 Jails, as well as the Department of Corrections. And that
21 effort on the State's part resulted in an entity by the name
22 of Wexford Healthcare being awarded the contract to provide
23 the services previously being provided by PrimeCare Medical
24 of West Virginia. Wexford had been the provider in the

1 Department of Corrections and, as I said, we had been the
2 provider in the other two layers. Through a bidding process,
3 Wexford was determined to become the provider in all three
4 lawyers.

5 Q. Okay. So you ran out of work?

6 A. Yes.

7 Q. Did you subcontract physicians and nurses to
8 provide those services, or were they employees of PrimeCare?

9 A. Primarily employees. There would be some
10 contractors, excuse me, some subcontractors as well.

11 Q. All right. The records of the corporation, maybe
12 the best question to ask is, how did you maintain your
13 financial records? What kind of system did you have?

14 A. Do you mean the computer system that was being
15 utilized, or --

16 Q. Yeah, that's a good question.

17 A. I'm not the -- we do have a CFO of the parent
18 company that oversaw, but we had a computer system
19 processing, it's been electronic for as long as I can recall.
20 Back in 2022, I believe we were still on QuickBooks.

21 Q. When you closed, you were on QuickBooks?

22 A. Excuse me?

23 Q. When you closed, you were still using QuickBooks?

24 A. Yes.

1 Q. All right. Who is the CFO of the parent company?

2 A. Matthew Angelo, A-N-G-E-L-O.

3 Q. Where is he located?

4 A. In Harrisburg.

5 Q. I assume that the parent company has subsidiaries
6 in a number of states. Do you know what states they're
7 operating in?

8 A. The parent company has a subsidiary in the State of
9 New York, where in conjunction with professional corporations
10 it provides similar care to county facilities in the State of
11 New York. The parent company also operates facilities absent
12 a subsidiary in New Hampshire, Maryland and Florida.

13 Q. So it's operating those four states right now?

14 A. Correct.

15 Q. New York, New Hampshire, Maryland and Florida.

16 A. And Pennsylvania. I'm sorry.

17 Q. And Pennsylvania. Because that's where you are?

18 A. Yes.

19 Q. Okay. So five states. Did it ever maintain paper
20 records of any kind?

21 A. I mean, all of our medical records were electronic.
22 I mean, there are -- there are paper copies, there is nothing
23 that would not be backed up electronically that I can think
24 of.

1 Q. Where are the electronic records maintained?

2 A. We contract with a data farm somewhere in Virginia,
3 I believe, that ultimately has storage responsibility for us.
4 We're making a conversion to cloud base currently.

5 Q. Is it like an online archive company of some type?

6 A. Yeah.

7 Q. Yeah.

8 A. Yes, someone who could afford all the --

9 Q. I understand, yeah. Joe and I are familiar with
10 that. It's involved in another case that we're dealing in,
11 so I understand that. What was the last year, I mean, how do
12 you file tax returns? Did PrimeCare of West Virginia file an
13 individual corporate income tax return each year?

14 A. It's consolidated with the parent.

15 Q. Consolidated, okay, they do a -- All right.

16 MR. SUPPLE: Hey, Tom?

17 MR. FLUHARTY: Yeah.

18 MR. SUPPLE: We could not upload the consolidated
19 return to DocLink, so I asked my staff to email that to
20 Betty. And they did that today. Just, it's too big. It's
21 too big.

22 MR. FLUHARTY: Yeah, Betty called in sick this
23 morning, so I'm here.

24 MR. SUPPLE: It's about 500 pages.

1 MR. FLUHARTY: Oh, okay. I probably won't print it
2 off. I'll probably just take a look at it. And I'm probably
3 going to, just in case I have questions about that, I did not
4 have a chance to print that off this morning to take a look
5 at. I'll probably end up continuing this until --

6 FEMALE VOICE: 3/7.

7 MR. FLUHARTY: March 7th at 9 o'clock. Just in
8 case I have any other questions. It may be on March 7th at 9
9 o'clock, we'll come on for me just to say, "I don't have any
10 questions," but there might be questions and, if there are,
11 there are.

12 BY MR. FLUHARTY:

13 Q. Where did PrimeCare maintain bank records? I
14 noticed on an exhibit that there were a lot of payments made
15 up until Joe was paid. Did you maintain your own separate
16 bank account, I assume you did, just for the West Virginia
17 subsidiary?

18 A. Yes, we do.

19 Q. And where did you maintain that?

20 A. With PNC.

21 Q. And was there a particular branch you dealt with
22 normally?

23 A. There's a, yes, there's a central Pennsylvania
24 office that we primarily deal with.

1 Q. Do you know where at?

2 A. But it's done electronically now through
3 Harrisburg.

4 Q. You do all your deposits and everything
5 electronically?

6 A. Yeah. Yes.

7 Q. And did you have bank accounts anywhere other than
8 PNC? Let's say --

9 A. There would have been a bank account at Centric
10 Bank, also in Harrisburg, that was recently bought out by an
11 entity by the name of First Commonwealth Bank.

12 Q. Are there any balances in any of those accounts?

13 A. No.

14 Q. Besides PNC and Centric Bank, which is now First
15 Commonwealth Bank, did the corporation use any other banking
16 facility in the last six years?

17 A. No.

18 Q. And has it filed all of its corporate income tax
19 returns?

20 A. Yes, all that are due.

21 Q. And did it file any and all 940, 941 state
22 withholding tax reports that should have been filed?

23 A. Yes.

24 Q. And I didn't know whether you had any W-2s or 1099s

1 or 1098s that you needed to send, but has everything in that
2 nature been filed with the IRS?

3 A. Yes, that would have been completed as of the
4 beginning of 2023.

5 Q. Does the corporation own anything right now?

6 A. No.

7 Q. Anything real or personal?

8 A. No.

9 Q. Has it owned or had interest in any kind of real
10 estate in the last five years?

11 A. No.

12 Q. If the State of West Virginia had not assigned the
13 bid or the contract to Wexford, is there anything else that
14 would have driven PrimeCare out of business?

15 A. It had been losing money operationally leading up
16 to the consolidation, however, had the consolidation occurred
17 in our favor, it would have been at a price that we would
18 have been able to maintain and continue business. If the
19 consolidation had not taken place, it had failed one previous
20 effort, and if the State changed its mind and wanted to
21 remain having separate providers, it would have required a
22 renegotiation of our expired contract in order for us to have
23 been in a position to continue operations in West Virginia.

24 Q. Okay. I notice what appears to be several, maybe

1 not several, but a number of lawsuits that PrimeCare was
2 involved in, and actually a lot of payments being made. Were
3 all of the lawsuits in the nature of malpractice cases?

4 A. Yes. Some of them would also assert a civil rights
5 component to them, but they would -- other than I believe we
6 have one employment matter listed, all the others would have
7 been related to our role in providing health care to the
8 incarcerated individuals.

9 Q. What was the nature of the employment lawsuit?

10 A. After we left the state, an entity that was
11 pursuing Wexford on a failure to pay for missed lunches claim
12 filed a punitive class action against PrimeCare asserting
13 similar allegations.

14 Q. And what's the status of that case?

15 A. It's still pending.

16 Q. Still pending?

17 A. Well --

18 Q. Right, stayed, but yeah.

19 A. Yeah.

20 Q. And then everything else was in the nature of a
21 class action -- in the nature of medical malpractice?

22 A. Yes.

23 Q. Your attorney listed a variety of disbursements. I
24 think he went back -- I think he went back 90 days or close

1 to it, at least, ending with the payment to him. And you
2 indicated that you ceased operating, doing business, in 2022,
3 but you kept issuing disbursements. Where did -- If you
4 weren't operating, where did that funding come from?

5 A. Those were capital infusions from the parent
6 company.

7 Q. Were all of your -- were all of your creditors
8 getting paid something on a monthly basis, or were these
9 creditors paid because you had some kind of settlement
10 agreement with them and you're just paying out based on a
11 settlement?

12 A. Other than the payments that would have been made
13 on a regular basis to the law firm defending our interests
14 down there, all the other payments would have been as the
15 resolution of claims.

16 Q. Okay. Offutt Simmons Simonton, that was your
17 attorney?

18 A. Correct.

19 Q. And were you paying them on a current basis? As
20 they billed you monthly, you paid them?

21 A. Yes.

22 Q. How about Buchanan Ingersoll and Rooney?

23 A. It is -- they are doing the employment matter.

24 Q. So they're your counsel, also?

1 A. Yes.

2 Q. Sherry Bell?

3 A. That would have been a claim.

4 Q. So that was a creditor. I don't see -- How about
5 Bill Stroebel, of Stroebel and Stroebel?

6 A. He was also representing a former patient.

7 Q. So that was a settlement to a plaintiff --

8 A. Yes.

9 Q. -- or a claimant?

10 A. Yes.

11 Q. Okay. So in the 90 days prior to filing
12 bankruptcy, you only paid out to two individuals, Sherry Bell
13 and Stroebel and Stroebel, whoever they represented. As far
14 as creditors are concerned, everyone else -- all other
15 disbursements were to your counsel for ongoing legal
16 services?

17 A. Yes.

18 Q. Okay. The \$125,000 that you paid to Sherry Bell,
19 was that in satisfaction of a claim in total?

20 A. Yes.

21 Q. And was that a malpractice claim?

22 A. Yes.

23 Q. Were you like a self-insurer then? I mean, you
24 don't have other -- you don't have a malpractice carrier that

1 you turn those over to? You defend your own claims?

2 A. We have an insurance company, but the structure of
3 it is that -- essentially, given the high deductible level,
4 we were essentially self-insured.

5 Q. Okay. And maybe I either wasn't listening close
6 enough. The \$125,000, was that a complete settlement for
7 satisfaction of that claim?

8 A. Yes.

9 Q. Okay. And was the \$15,000 to Stroebel and Stroebel
10 a total satisfaction of that claim?

11 A. Yes.

12 Q. Okay. And besides these two -- and these were both
13 in the nature of malpractice?

14 A. Yes.

15 Q. So those two individuals perhaps received payment
16 preferentially in regards -- as compared to other creditors
17 in this case?

18 A. Potentially, yes.

19 Q. Okay. Are you aware of any other -- I mean,
20 everything else seems to be your counsel of record. Are you
21 aware of any other payment made in the 90 days preceding
22 filing of the bankruptcy that was in the nature of -- that I
23 would view -- maybe your attorneys discussed this with you
24 already, that we might view as being in preference to other

1 creditors?

2 A. Not that I'm aware of.

3 Q. Okay.

4 MR. SUPPLE: Tom, I wonder if it is a preference as
5 the funds really came from the parent company. It wasn't the
6 debtor's assets that was --

7 MR. FLUHARTY: Well, that's a good question. I'm
8 not really certain. It might be direct or indirect. We'll
9 just have to take a look at it.

10 MR. SUPPLE: Right.

11 MR. FLUHARTY: It might not be -- it might not be
12 something that you can get back in any event. I just don't
13 know. Maybe you and I will discuss that a little bit more,
14 maybe get a little more detail. I mean, spent money is hard
15 to recover, you know. It went out 60, 90 days ago. Yeah,
16 all right.

17 BY MR. FLUHARTY:

18 Q. Does PrimeCare have any claims against anyone that
19 it could collect on?

20 A. Not that we're aware of, no.

21 Q. This is probably not a real relevant question, but
22 with corporations I always ask my "ice cream melting"
23 question. I was appointed trustee on a case one time that
24 was a fast food store. I was over in Martinsburg, and the

1 judge appointed me to a fast food restaurant or store,
2 convenience store, that also had a hotel component. And I
3 showed up and there were guests checking out of the hotel on
4 their own. All the staff just left. And apparently someone
5 had been in the convenience store dishing out ice cream
6 cones, and they just left the ice cream out. It was melting
7 onto the floor. And there are probably more, you know,
8 insignificant circumstances that arise, but are you aware of
9 anything that has to be done for the corporation immediately
10 to protect assets?

11 A. No, there are no assets.

12 Q. Yeah, that's what I thought.

13 A. Yeah, I mean, our operate -- I mean, we only -- by
14 the time West Virginia consolidated the juvenile and the
15 Regional Jail Authority into the Department of Corrections
16 and Rehabilitation, we only had one customer in West
17 Virginia, so all our payments came from one individual, so
18 there wasn't a lot of loose ends to tie up.

19 Q. I understand. Is PrimeCare a -- is it on a fiscal
20 year basis or is it a calendar year? I couldn't answer that
21 question in a bankruptcy case the other day, so the IRS
22 wouldn't respond to something that I wanted. So are you
23 January to December or are you July to June, or what are --
24 what is your --

1 A. (Inaudible.)

2 Q. What's that?

3 Q. We're calendar.

4 Q. Calendar year?

5 A. I'm sorry. We're calendar year.

6 Q. Good. And you are current on all your financial
7 returns, tax returns, withholding returns, all of that?

8 A. Yes.

9 Q. Did you employ any outside accountants?

10 A. Yes.

11 Q. Who is your main outside accountant?

12 A. Baker Tilly.

13 MR. FLUHARTY: Baker Tilly. Okay. I'm going to
14 have to look at the tax return in order to complete my
15 inquiry, so I'm going to go to creditors now. I see Beth
16 Kavitz from the U.S. Trustee's Office on the line. Ms.
17 Kavitz, do you have any questions you would like to ask?

18 MS. KAVITZ: I don't have any questions. Thank
19 you.

20 MR. FLUHARTY: All right. And I see an Amanda
21 Davis.

22 MS. DAVIS: Yes.

23 MR. FLUHARTY: Do you have questions you would like
24 to ask?

1 MS. DAVIS: Yes, I do have -- I have several
2 questions.

3 MR. FLUHARTY: Go ahead.

4 FEMALE VOICE: Who does she represent?

5 MR. FLUHARTY: Who do you represent, Ms. Davis?

6 MS. DAVIS: I represent Wanda Perdue, the Estate of
7 Charles Perry.

8 MR. FLUHARTY: Okay. Go ahead.

9 **EXAMINATION**

10 BY MS. DAVIS:

11 Q. In light of the fact that PrimeCare of West
12 Virginia claims to have no assets to liquidate and distribute
13 to creditors, what purpose do you hope to achieve in filing
14 the Chapter 7 petition?

15 A. To be in a position, since it has no operations, no
16 employees, and no intent to ever regain operations, to be in
17 a position to dissolve the corporation, which cannot be done
18 until outside -- we get satisfaction of outside claims.

19 Q. Are you aware that PrimeCare, because it is a
20 corporation, is not eligible to receive discharge of its
21 debts from Chapter 7 bankruptcy?

22 A. I am not that savvy as to bankruptcy laws.

23 Q. Are you aware that anyone with a lawsuit against
24 PrimeCare of West Virginia, as of the date of filing of the

1 petition, will be able to resume that prosecution of the
2 lawsuit once the Chapter 7 bankruptcy is over unless that
3 person accepts a settlement and agreed to a release or
4 dismissal of the lawsuit in exchange for a settlement?

5 A. I would defer to the advice of my counsel as to
6 what will occur once the process is concluded.

7 Q. Are you aware that the trustee has no power to
8 force the creditors to agree to a settlement or release of
9 any of the creditors' claims?

10 A. I would assume that the trustee lacks that
11 authority, but that's just an assumption.

12 Q. Are you aware that a Chapter 7 bankruptcy does not
13 legally dissolve a company under either West Virginia or
14 federal law?

15 A. It's my understanding it doesn't dissolve it, but
16 it may be a necessary step to get to that point.

17 Q. Are you aware that the West Virginia Code provides
18 a set of procedures for the dissolution of a corporation at
19 the West Virginia Code -- and that that's located in West
20 Virginia Code Section 31D-14-1401?

21 A. I did not know the cite. I know states establish
22 rules necessary to follow the dissolving of a company.

23 Q. Are you aware that the West Virginia Code provides
24 a set of procedures for notifying the public and potential

1 creditors and claimants, known and unknown, of the
2 dissolution of a company?

3 A. Again, I would assume there is such a provision,
4 but I was not aware of the specific cite.

5 Q. Are you aware that the West Virginia Code provides
6 that even dissolution of a company does not terminate, abate,
7 or suspend any lawsuits that have been filed as of the date
8 of the dissolution?

9 A. I was not aware.

10 Q. Are you aware that the West Virginia Code provides
11 that even dissolution of a company does not prevent anyone
12 from commencing a lawsuit against that company for purpose of
13 establishing liability to recover against an insurer or an
14 alter ego?

15 A. Again, I'm not familiar with that specific
16 provision.

17 Q. Does PrimeCare of West Virginia have regular board
18 meetings and keep minutes of those meetings?

19 A. Yes.

20 Q. Can you provide copies of those minutes to the
21 trustee?

22 A. I assume if the trustee has a request for them and
23 I'm obligated to turn them over, then yes, we would turn
24 those over.

1 Q. In Form 206A-B of your petition, you list PrimeCare
2 Medical of West Virginia as having no assets of any kind. Is
3 that correct?

4 A. Yes.

5 Q. Now, you talked about having accounts. Have you
6 closed those accounts?

7 A. I don't believe they have been technically closed.
8 They just have zero balances.

9 Q. In addition to those banking accounts, were those
10 checking, savings, or another type of account?

11 A. They were checking.

12 Q. When was the last time PrimeCare of West Virginia
13 had a bank account that had money in it?

14 A. Periodically PrimeCare, as identified with the two
15 settlements that were made, as well as payments to the law
16 firms, PrimeCare, the parent, would infuse capital into the
17 subsidiary periodically to make those payments. I believe
18 the last time there was probably money in any of those
19 accounts was December of last year.

20 Q. Do you have records of the activities on those two
21 accounts that you told the trustee about?

22 A. Yes.

23 Q. Can you provide those to the trustee?

24 A. Yes, if there's a request, then --

1 Q. Has PrimeCare -- I'm sorry.

2 A. That's okay.

3 Q. Has PrimeCare of West Virginia had any other bank
4 accounts that had any money in them at any point in the last
5 two years?

6 A. No.

7 Q. Do you have records of the activity of the bank
8 accounts we just talked about over the last five years?

9 A. I don't know -- Yes, I assume they're available
10 going back that far.

11 Q. PrimeCare of West Virginia used to receive payments
12 from one or more West Virginia State agencies. Is that
13 correct?

14 A. Correct.

15 Q. What agency was that?

16 A. It had, for the majority of our time operating in
17 West Virginia, we would have received payments from the
18 Regional Jail Authority, as well as the Division of Juvenile
19 Services, and then near the end of our tenure the payments
20 would have come from the Department of Corrections and
21 Rehabilitation.

22 Q. And did those payments go -- were those made
23 payable to PrimeCare of West Virginia, or were those made
24 payable to the parent company?

1 A. They were made payable to PrimeCare Medical of West
2 Virginia.

3 Q. Okay. And was the contract with those agencies,
4 was that contract with PrimeCare of West Virginia, or was
5 that with the parent company?

6 A. It was with PrimeCare Medical of West Virginia.

7 Q. When did PrimeCare of West Virginia receive its
8 last payment from a West Virginia agency?

9 A. I would have to confirm the last -- the exact date,
10 but our operations ceased in June of 2025. [sic] I believe
11 we --

12 FEMALE VOICE: No, not 2025. It can't be.

13 THE WITNESS: -- had received all payments by
14 October of 2022.

15 BY MS. DAVIS:

16 Q. What assets did PrimeCare of West Virginia have
17 that were its own assets, not owned by the parent company?

18 A. There would have been various supplies in the
19 Medical Departments of each institution at which we operated.
20 And, to a limited extent, there may have been used medical
21 equipment as well; blood pressure cuffs, EKGs, vital machine
22 recorders, things of that nature.

23 Q. What happened -- What did you do with those assets?

24 A. Most of it remained pursuant to the contract with

1 DCR and would be reverted to property of the State. The rest
2 of it, depending upon it, most of it was just scrapped as
3 obsolete.

4 Q. So when you say under the contract it would have
5 reverted to the State of West Virginia, did they pay you for
6 those assets?

7 A. No. It was just part of the contract terms in
8 terms of, you know, you would wire what you need while you're
9 here. It helps with the transition to the new provider that
10 they don't walk into an empty jail. So there are times that
11 some things, and I'd have to go back and check, some things
12 may have been sold to Wexford. And in that case, Wexford
13 would have made a payment to us.

14 Q. Okay. And would they have made that payment to
15 PrimeCare of West Virginia, or would they have made that
16 payment to PrimeCare, the parent company?

17 A. They would have made it to PrimeCare Medical of
18 West Virginia.

19 Q. Okay. And when would that payment have been made?

20 A. That would have been made either before June 22nd
21 of -- or excuse me -- June 25th of 2022 or shortly
22 thereafter.

23 Q. When you closed down or you ended that contract in
24 June, what happened to your employees?

1 A. Many of them were retained by Wexford. Others
2 elected to get out of the health care field. When we
3 received notification that we were not going to be the
4 successful bidder, we had to -- we put out a notice to all of
5 our employees that if they stayed through the transition
6 date, they would receive a bonus payment as well as payment
7 for unused leave. We didn't want to be in a situation where,
8 since we were essentially a lame duck operator down there,
9 that we'd have a lot of medical facilities that would not be
10 adequately staffed, so we provided incentives. We allowed
11 them to interview with Wexford. We allowed them to, you
12 know, look for other jobs.

13 Q. Okay. Now, with regard to those supplies, did the
14 State of West Virginia -- did you order the supplies? Did
15 PrimeCare of West Virginia order its own supplies or did it
16 submit an order to the Regional Jail and the Regional Jail
17 provided those supplies?

18 A. We provide -- PrimeCare Medical of West Virginia
19 would have been responsible for providing all the day-to-day
20 supplies necessary for the Medical Department.

21 Q. Okay. And PrimeCare of West Virginia did not have
22 an office in West Virginia. Is that correct?

23 A. Not at the time of closing, no.

24 Q. PrimeCare of West Virginia, all of its officers

1 were also officers of the parent company. Correct?

2 A. There were vice presidents of PrimeCare Medical of
3 West Virginia that were not vice presidents of PrimeCare
4 Medical, but the three that I listed under the previous
5 questioning from the trustee were the same individuals, yes.

6 Q. Were there any of the people that you're mentioning
7 here with West Virginia -- PrimeCare of West Virginia that
8 lost their jobs as a result of this termination of the
9 contract with the State of West Virginia?

10 A. They lost their job with PrimeCare Medical of West
11 Virginia, yes.

12 Q. Okay. But are they still working for PrimeCare,
13 the parent company?

14 A. There are only three individuals of the previous
15 400 that transitioned over.

16 Q. Okay. And those three people already worked out of
17 the PrimeCare parent company offices in Pennsylvania.
18 Correct?

19 A. No. They worked and continue to work out of West
20 Virginia. Their employer now is PrimeCare Medical.

21 Q. Okay. And were they receiving any payments for
22 employment from PrimeCare Medical, the parent company, prior
23 to PrimeCare of West Virginia going out of business?

24 A. No.

1 Q. Okay. Now, which bank account did the payments
2 from the West Virginia agencies go into?

3 A. The PNC account.

4 Q. And that's true for the last five years?

5 A. Yes.

6 Q. Has PrimeCare of West Virginia ever received
7 payments from anyone other than the West Virginia agency,
8 PrimeCare of West Virginia?

9 A. I would -- since we were in business for 27 years,
10 I would assume we received payments in some sort or another
11 whether it be a refund from a pharmacy or the like that
12 happened over those years, but not a significant stream of
13 income certainly.

14 Q. Other than the agencies for the State of West
15 Virginia, you did not provide services for any other
16 companies in West Virginia?

17 A. I'm hesitating because at times we would be called
18 upon to do like preemployment physicals for law enforcement
19 agencies, but we didn't receive any payment for those, so no,
20 it would have all been through the State agencies.

21 Q. Okay. Where did PrimeCare -- so all the deposits,
22 were those in the form of checks that came from the State of
23 West Virginia?

24 A. Again I'm hesitating because I can't remember at

1 the end if they converted over to an ACH or if they still --
2 I believe they were always paper checks through the last date
3 of operations.

4 Q. Okay. And when was the last time PrimeCare of West
5 Virginia received payment from anyone for the services
6 rendered in West Virginia?

7 A. Like I said earlier, I'd have to check the exact
8 date. My recollection was it was about three or four months
9 after operations ceased, I believe, in the October time frame
10 of 2022.

11 Q. Does PrimeCare of West Virginia have any reasonable
12 expectation that it will operate as a business and receive
13 payments for services rendered or other income ever again or
14 at least over the next five years?

15 A. No.

16 Q. Has PrimeCare of West Virginia paid any dividends
17 to shareholders, owners, or members including, but not
18 limited to, PrimeCare's parent company, PrimeCare Medical, in
19 the last five years?

20 A. No.

21 Q. Has PrimeCare of West Virginia made any other
22 payments or distributions of any kind, however labeled,
23 including, but not limited to, loan repayments, so not just
24 dividend payments, to shareholders, owners, or members in the

1 last five years?

2 A. No.

3 Q. Does PrimeCare of West Virginia currently have
4 liability insurance to cover claims involving alleged
5 personal injuries due to medical negligence or professional
6 liability?

7 A. Yes.

8 Q. Do you have those policy documents?

9 A. Yes.

10 Q. Have those been provided to the trustee?

11 A. I don't believe they've been provided to the
12 trustee. They've been provided to my counsel who I
13 understand is making them available to certain entities and
14 individuals in West Virginia, the exact identity of which I
15 don't know.

16 Q Have you notified the State agencies that you had
17 contracts with that you have filed bankruptcy?

18 A. Not formally.

19 Q. Excuse me?

20 A. Not formally.

21 Q. Okay. What is the nature of the policy or policies
22 that you currently have in effect? Is it a claims made or
23 claims occurred?

24 A. Claims made.

1 Q. Do those policies have a term referred to as a
2 deductible or a self-insured retention?

3 A. They don't. The most recent I know is deductible.
4 They all have either/or an SIR or a deductible. They change
5 over policy years.

6 Q. Can you tell me why they changed over the policy
7 years?

8 A. That was the underwriters' preference for the
9 companies issuing the policies that we purchased. We didn't
10 have a say in it.

11 Q. Did you provide copies of those policies to the
12 State agency that employed you?

13 A. At the time we were operating, yes.

14 Q. Did you -- and who at the State did you provide
15 those to?

16 A. There were various individuals had different
17 responsibilities both through the RJA, Divisional of Juvenile
18 Services, and then DCR.

19 Q. And were those provided annually with every change
20 in policy?

21 A. They were -- Yes, they would be required to have on
22 hand a current proof of insurance, so, and those policies run
23 from March 16th of one year to March 16th of the next, so
24 every March new information would have been provided.

1 Q. Now, did you -- Does PrimeCare of West Virginia
2 take the position that under those policies, the insurer will
3 not cover the cost of defense, in other words, pay for an
4 attorney to defend PrimeCare of West Virginia in a claim or
5 lawsuit against PrimeCare of West Virginia unless or until
6 PrimeCare of West Virginia pays the amount owed under the
7 deductible?

8 A. That has been the standard operating procedure,
9 yes.

10 Q. Does PrimeCare of West Virginia take the position
11 that under those policies, the insurer will not cover -- I'm
12 sorry. It looks like I'm asking the same one here. Does
13 PrimeCare of West Virginia take the position that those
14 policies do not obligate the insurer to make payments to
15 individuals who obtain jury verdicts against PrimeCare of
16 West Virginia unless or until PrimeCare of West Virginia has
17 paid the full amount of the deductible between the payments
18 made by PrimeCare for cost of defense and other claims
19 related to expenses and payments made by PrimeCare of West
20 Virginia to the claimant?

21 A. I'm sorry. That was a lengthy question, but I
22 believe in essence you're asking if we take the position as
23 to what the insurer's ultimate obligation is going to be.
24 And if that is the case, my answer would be no, we don't take

1 a position either way or not. It's contractually then for
2 them to take a position as to what their obligation would be.

3 Q. Are PrimeCare of West Virginia's former employees,
4 including doctors, nurses, and physician's assistants,
5 covered under the policies for medical negligence or
6 professional liability in the scope of their employment, as
7 well?

8 A. I'm not an insurance expert. They are not
9 individually named. I mean, their conduct was subsumed under
10 our defense.

11 Q. Does PrimeCare of West Virginia have any other
12 policies that would provide coverage for its former employees
13 for medical negligence or professional liability in the scope
14 of their employment besides the policies you've already
15 mentioned?

16 A. No.

17 Q. Does PrimeCare of West Virginia take the position
18 with respect to its obligation to make payments up to the
19 deductible for the cost of defense, expenses and to the
20 claimants before the insurer is obligated to cover cost of
21 defense, expenses, and payments to the claimants on behalf of
22 PrimeCare West Virginia's former employees?

23 A. I hate to do this to you, but could you repeat
24 that? I'm sorry.

1 Q. Is it your position that with respect to your
2 obligation to make payments of the amount of the deductible
3 and for the attorney fees, the expenses, and any settlements
4 before the -- that you have to pay those before the insurer's
5 obligation to cover cost of defense, expenses, and payments
6 to claims -- you have to meet your deductible amount before
7 those will kick in?

8 MR. SUPPLE: I'm going to object to that question.
9 It sounds like the question you just asked a few minutes ago.
10 There's a lot of law on this topic, and bankruptcy law, so
11 that's just a legal question that we're going to have to
12 figure out. We don't take a position on that.

13 MR. FLUHARTY: I can't rule -- I can't rule on --

14 MS. DAVIS: Will you be providing us with copies of
15 the insurance policies so that we can get an expert to look
16 at those policies?

17 THE WITNESS: I'm sorry. Was that a question posed
18 to me? I didn't hear the beginning.

19 MS. DAVIS: I'm asking your lawyer.

20 THE WITNESS: Okay.

21 MS. DAVIS: If that's something he's going to do,
22 is turn those over so that we can get an expert to look at
23 those.

24 MR. SUPPLE: We've -- yes, we'll cooperate with you

1 on providing the insurance policies.

2 MS. DAVIS: Okay.

3 MR. FLUHARTY: Why don't you provide those to me,
4 and then anyone who asks for them that is entitled to receive
5 them, I'll provide them.

6 MR. SUPPLE: Okay.

7 BY MS. DAVIS:

8 Q. Does PrimeCare of West Virginia take the position
9 that it has at all times, including for all non-priority
10 unsecured claims listed on Form 206E/F or Schedule E/F of the
11 petition, maintained medical professional liability insurance
12 in the aggregate amount of at least one million for each
13 occurrence as defined by the West Virginia Code?

14 A. Yes, with an aggregate of three million.

15 Q. Has PrimeCare of West Virginia taken any steps to
16 comply with the self-funding program minimum standards of the
17 West Virginia Code?

18 A. No, we've never been advised of an obligation to do
19 so.

20 Q. I'm sorry? You said you were advised you don't
21 need to do so?

22 A. No, the opposite of that. We were never advised of
23 an obligation to do so.

24 Q. Okay. Has PrimeCare of West Virginia established a

1 trust and hired a qualified trustee to administer its self-
2 funding program?

3 A. No, I don't know that we have a self-funding
4 program.

5 Q. Has PrimeCare of West Virginia hired a qualified
6 third-party claims manager experienced in handling medical
7 professional liability claims with the power and authority to
8 set reserves and administer and oversee the defense of all
9 claims?

10 A. As part of the insurance contract, we are obligated
11 to work with a group of attorneys selected by the insurer to
12 meet with and provide information regarding outside
13 (phonetic) claims including the setting of ultimately by them
14 reserves.

15 Q. And do you -- Who were those attorneys?

16 A. Myra Brown is the chief. She just switched firms.
17 She's out of Chicago. I cannot give you the contact
18 information at this time.

19 Q. Share that with your lawyer, and he can share it
20 with the trustee. How much money, if any, does PrimeCare
21 currently have in a trust account for the purposes of
22 satisfying the West Virginia MPLA self-funding program
23 requirements of the West Virginia Code?

24 A. None.

1 Q. So you have indicated that PrimeCare of West
2 Virginia has not made any money since June of 2022. Is that
3 correct?

4 A. We haven't received any money since approximately
5 October 2022.

6 Q. Okay.

7 A. The last earned would have been, I guess, June
8 25th.

9 Q. Okay. Since that time, since October of 2022, has
10 PrimeCare of West Virginia nonetheless made any payment on
11 its own behalf or on behalf of an employee, former employee
12 of PrimeCare of West Virginia relating to a professional
13 liability or medical negligence claim brought against
14 PrimeCare of West Virginia or an employee such as attorney
15 fees for the defense cost or to a claimant to settle a claim
16 or satisfy a jury verdict?

17 A. There were no jury verdicts, but yes, it has made
18 payments in those other occurrences.

19 Q. How many?

20 A. I don't know off the top of my head sitting here
21 today. It's information that would be available. The
22 payments for defense counsel would have occurred monthly
23 since then.

24 Q. Okay.

1 MR. SUPPLE: There's a list attached to the
2 schedules of those payments.

3 MS. DAVIS: Okay.

4 BY MS. DAVIS:

5 Q. In that same time frame since PrimeCare last had
6 money or income, has anyone other than PrimeCare made the
7 payments on behalf of PrimeCare of West Virginia or its
8 employees, the employees of PrimeCare of West Virginia,
9 relating to claims brought against PrimeCare of West
10 Virginia?

11 A. No.

12 Q. Did PrimeCare, the parent company, pay any of the
13 settlements or attorney fees related to defending claims in
14 West Virginia?

15 A. It provided funds to PrimeCare Medical of West
16 Virginia to make those payments.

17 Q. Okay. So did you have a loan agreement with
18 PrimeCare, Inc., the parent company?

19 A. No. We just kept track of the amount that was
20 being transferred to a subsidiary.

21 Q. Okay. And so will that be treated as a business
22 loss by PrimeCare, the parent company, for tax purposes?

23 A. I don't know how Baker Tilly qualifies that.

24 Q. Other than the payments made by PrimeCare Medical,

1 Inc., has any other entity, insurance company, or shareholder
2 paid any claims on behalf of PrimeCare of West Virginia?

3 A. No.

4 Q. In the same time frame, we're talking August 2022,
5 has PrimeCare of West Virginia entered into any settlement
6 agreement with any claimant or plaintiff?

7 A. Yes.

8 Q. Okay. Have you paid those claims, those
9 settlements?

10 A. Yes.

11 Q. What about the settlement agreement between
12 PrimeCare of West Virginia and Wanda Perdue regarding the
13 death of her son, Charles Perry? The agreement was signed at
14 mediation in November of 2023. Is that correct?

15 A. I don't recall the exact date.

16 Q. But it was signed after August of 2022. Correct?

17 A. Yes.

18 Q. Were you aware of that settlement?

19 A. Yes.

20 Q. And that settlement has been pulled into this
21 bankruptcy. Is that correct?

22 A. Yes.

23 Q. You have not paid that settlement?

24 A. That is correct.

1 Q. And that was a settlement of a professional
2 liability claim against PrimeCare of West Virginia arising
3 out of medical negligence by PrimeCare of West Virginia and
4 its employees. Correct?

5 A. Those were the assertions, yes.

6 Q. Okay. You testified that since August of 2022
7 PrimeCare of West Virginia has had no money or income, and
8 they've had no reasonable expectation for money or income in
9 the future. Is that correct?

10 A. Yes. And I think I said October of 2022, but --

11 Q. Okay. You testified earlier that the insurance
12 policies that covered claims for medical negligence such as
13 Wanda Perdue's for her son, Charles Perry, have a deductible
14 and that the insurer has no obligation to make payments for
15 the cost of defense or the settlement until PrimeCare of West
16 Virginia has made payments on its own behalf in the amount
17 equal to the deductible. Is that correct?

18 MR. SUPPLE: I object. We've already talked about
19 this. It's a complicated issue in bankruptcy, whether the
20 deductible has to be paid, if it's a self-insured retention,
21 you know, how that affects the insurance company's duty, so
22 those are all legal questions we've got to figure out.

23 BY MS. DAVIS:

24 Q. Given the facts of your prior testimony that as of

1 October of 2022 PrimeCare of West Virginia had no money or
2 income, no expectation of money or income in the future, and
3 an insurance policy that did not obligate the insurer to make
4 payments until PrimeCare paid its portion, its deductible,
5 how could PrimeCare of West Virginia promise to pay hundreds
6 of thousands of dollars to the Estate of Charles Perry?

7 A. There was an expectation that it would receive
8 another capital infusion from the parent.

9 Q. Is the parent company refusing to make that
10 infusion?

11 A. Yes.

12 Q. Is there a reason why they are not willing to make
13 that infusion for the Charles Perry case when they made it
14 for other cases?

15 A. I was advised we didn't receive the release in the
16 Perry case until, I believe -- well, counsel received it
17 December 18th. We didn't receive it until the eve of
18 bankruptcy and were concerned about the potential for the
19 appearance of a preferential payment.

20 Q. Did you expect when that agreement was entered in
21 November of 2023 that the parent company would be making that
22 payment?

23 A. Yes. Well, it would be funding that payment. It
24 would not have been making it. It would have come from

1 PrimeCare Medical of West Virginia.

2 Q. Okay. How would it -- it would have been issuing a
3 check? PrimeCare of West Virginia would have been issuing a
4 check. Correct?

5 A. Yes.

6 Q. There's no money currently in the checking account.
7 Correct?

8 A. Correct.

9 Q. For PrimeCare of West Virginia.

10 A. Correct.

11 Q. So the parent company would have deposited money
12 into PrimeCare of West Virginia's checking account for the
13 sole purpose of PrimeCare of West Virginia turning around and
14 writing a check to Wanda Perdue?

15 A. Yes.

16 Q. Okay. Are you aware of any instances where the
17 settlement check came directly from PrimeCare, the parent
18 company?

19 A. Not offhand. If there had been a mistake, I don't
20 know. I'm not -- I'd have to go back and look. I don't sign
21 every check that comes out.

22 Q. Now, did PrimeCare of West Virginia have a contract
23 with the State of West Virginia or other State agencies
24 covering its provisions for medical services in West Virginia

1 correction facilities?

2 A. Yes.

3 Q. Were those contracts -- was there a new contract
4 every year, or was the contract period for multiple years?

5 A. When they were awarded, they would be for multiple
6 years, and then West Virginia would issue what was
7 essentially a change order every year renewing the contract
8 at either the same or an adjusted rate for the next year.

9 Q. Did you negotiate with them every year on that
10 adjusted rate?

11 A. No. That would have been done on the front end.

12 Q. When you say "on the front end," what does that
13 mean?

14 A. It gets blurry in West Virginia because the
15 consolidation efforts threw everything off or out of whack,
16 but the -- they were typically for -- it was acknowledged
17 when you'd submit an RFP that it was going to be for a three
18 or a five year period. Part of the RFP would be for -- the
19 proposal would be to describe what mechanism you're using for
20 your increases moving forward, whether a flat percent like 3
21 percent or perhaps an identified CPI, and then if it was
22 flat, it was easy. We'd just calculate what the next year
23 would be. The Division of Juvenile Services was slightly
24 different because those contracts were based upon employee

1 hours provided each facility, so contracting and payment on
2 those were different where we'd have to provide payroll
3 records and then a calculation as to what the ultimate
4 payment would be made -- would be made after the fact.

5 Q. So what was the most recent contract period with
6 the West Virginia Division of Corrections?

7 A. We never had a contract with the Division of
8 Corrections. We had the one with the Division of Juvenile
9 Services. Then we had with the Regional Jail Authority, and
10 they were to, to the best of my recollection, expire as of
11 2019, but they were, based upon West Virginia's request or
12 mandating, they were just continued as the bidding process
13 went for consolidation. We had a period in there those two
14 were consolidated into the Department of Corrections and
15 Rehabilitation.

16 Q. So your last contract with the Regional Jail ended
17 in 2019, and so then you were just on a year-to-year basis
18 while the bidding was ongoing?

19 A. Yeah. It got very -- because they had anticipated
20 that the proposal process was going to be much more quick
21 than they anticipated. They had an initial go around where
22 they ended up throwing out all of the proposals because they
23 perceived them to be too expensive. So they went back out
24 and did it a second time, and during that period they had

1 essentially said, "You're going to be held to the last
2 contract year until there is a change," and then when that
3 change dragged out not six months, but over multiple years,
4 there was an adjustment in the price at one point, but that
5 was just negotiated in order to continue. They were sort of
6 like -- we almost went into a month-to-month, year-to-year
7 process while they were trying to work this out.

8 Q. Do you have something in writing to support that,
9 to evidence as what was going on during that time frame and
10 what the expectations were for PrimeCare Medical?

11 A. Yeah, there would have ultimately been one of those
12 like change orders that I referenced executed which showed
13 the new rate going forward.

14 Q. So the change orders reflect the new contract --
15 basically what is a temporary contract after 2019?

16 A. Essentially, yes.

17 Q. Okay. And do those contracts require PrimeCare of
18 West Virginia to maintain medical professional liability
19 insurance coverage up to any certain amount?

20 A. Yes.

21 Q. Do you recall what that amount was?

22 A. One million per occurrence, three million
23 aggregate.

24 Q. Okay. Does the contract or those contracts require

1 PrimeCare of West Virginia to maintain medical professional
2 liability insurance coverage for any certain period of time
3 following the expiration of the contract, kind of like tail
4 coverage?

5 A. I don't believe so, no.

6 Q. Does PrimeCare of West Virginia take the position
7 that it has at all times, including all the non-priority
8 unsecured claims listed on Form 26F -- I'm sorry -- E/F or
9 Schedule E/F of the petition, maintained insurance that
10 satisfies its contractual obligation with the State of West
11 Virginia?

12 A. Yes, that was our understanding.

13 Q. Does PrimeCare of West Virginia have a contract or
14 has it ever had a contract with anyone else such as PrimeCare
15 Medical, the parent company, or any other PrimeCare Medical
16 affiliate or subsidiary company to obtain insurance on
17 PrimeCare of West Virginia's behalf or for the benefit of
18 PrimeCare of West Virginia or its employees?

19 A. There is no contract in place, no.

20 Q. Were there any insurance contracts that the parent
21 company has, PrimeCare Medical has that provides insurance
22 coverage for PrimeCare of West Virginia or PrimeCare of West
23 Virginia's employees?

24 A. I'm sorry, I --

1 Q. Does the parent company have any insurance policies
2 that cover PrimeCare of West Virginia and its employees?

3 A. The policy identifies PrimeCare Medical as the
4 named insured, and then there is an endorsement that lists
5 PrimeCare Medical of West Virginia as an additional named
6 insured.

7 Q. So the insurance policies during the contracts that
8 you had with the State of West Virginia, those were all
9 purchased by PrimeCare Medical, the parent company? Is that
10 correct?

11 A. They were purchased by PrimeCare Medical of West
12 Virginia; PrimeCare, Inc., the parent; and PrimeCare Medical
13 of New York.

14 Q. Okay. So how did payment for that work as far as
15 who paid for that -- for that -- paid those bills for that
16 insurance?

17 A. There would be an allocation of that portion of the
18 obligation on the PrimeCare Medical of West Virginia
19 financials, and then the payment would be made by PrimeCare
20 Medical, Inc.

21 Q. Okay. So basically you said PrimeCare Medical,
22 Inc., the parent company; PrimeCare Medical New York; and
23 PrimeCare Medical of West Virginia. There was one policy.
24 Correct?

1 A. Yes.

2 Q. And the three entities divided the bill up between
3 the three? Is that correct?

4 A. Yes. It was allocated among the three and then
5 paid by the parent.

6 Q. Okay. And do you have documents that show that
7 allocation?

8 A. It would be broken down not only to PrimeCare
9 Medical of West Virginia, but individual sites in which we
10 operated showing their corresponding legal and insurance
11 expenses.

12 Q. But there are documents that you can provide to the
13 trustee to show that. Correct?

14 A. Yes.

15 MS. DAVIS: I think that's all the questions that I
16 have. Yes, that's all my questions. Thank you for your
17 time.

18 MR. FLUHARTY: Ms. Davis, there were a number of
19 items I think you wanted. You wanted board minutes from what
20 time period?

21 (No response heard from Ms. Davis.)

22 MR. FLUHARTY: Amanda Davis? I think I lost her.
23 Okay. All right. All right. Stephen New, do you have
24 questions?

1 MALE VOICE: You're muted.

2 MR. FLUHARTY: I'm sorry. Is Amanda Davis still
3 there?

4 MS. DAVIS: I'm still here.

5 MR. FLUHARTY: Okay. There were some items that
6 you requested. Maybe you should just maybe -- maybe just
7 give me a call or send me an email and tell me what they are,
8 and then I'll pass them along to Joe and to -- or Mr. Supple,
9 and we can get those to you as quickly as possible.

10 MS. DAVIS: Thank you.

11 MR. FLUHARTY: All right. I had the board minutes,
12 some liability policies, and some other information, but if
13 you can send me a list.

14 MS. DAVIS: I'll email a list and copy Mr. Supple
15 on that.

16 MR. FLUHARTY: Okay. That is fine. Stephen New,
17 do you have questions you'd like to ask Mr. Weber?

18 MR. NEW: I do, Your Honor.

19 **EXAMINATION**

20 BY MR. NEW:

21 Q. Good morning, Mr. Weber. This is Stephen New. I
22 represent the putative class in the Rose matter as well as
23 Rebecca Chapman in a stand-alone case and a number of other
24 individuals. I'm going to try to not be repetitive of either

1 the trustee's questions --

2 FEMALE VOICE: Rebecca Chapman and who else?

3 BY MR. NEW:

4 Q. -- or Ms. Davis's, so if I jump around a little
5 bit, I apologize. Let's begin first with the RFPs, and
6 that's what's commonly referred to as the contract between
7 PrimeCare West Virginia, Inc., and the State of West
8 Virginia. Correct? You're familiar with the term RFP?

9 A. Yes. The RFP is actually the request for proposal,
10 to submit a proposal in response to trying to enter into a
11 contract either with the Department of Corrections on the
12 State level or, as I said, most of our business was done
13 between the Division of Juvenile Services and the Regional
14 Jail Authority before they were consolidated.

15 Q. Okay. Well, let's talk about that. The contract
16 that PrimeCare West Virginia entered into in response to the
17 RFP was approximately July 2016. Correct?

18 A. Yes.

19 Q. And that was with the Regional Jail Authority at
20 that time. Correct?

21 A. Yes.

22 Q. Now, when you mention consolidation of the Division
23 of Corrections and Rehabilitation which consolidated West
24 Virginia's prisons, jails, and juvenile facilities, that

1 occurred July 1 of 2018. Correct?

2 A. I assume that's the correct date. I don't remember
3 when --

4 Q. Okay. I'll represent to you, based upon my
5 representation of approximately 8,000 inmates in the Rose
6 matter, that consolidation occurred July 1st, 2018. And
7 subsequent to that, PrimeCare West Virginia kept the contract
8 with West Virginia's regional jails and some juvenile
9 facilities. Correct?

10 A. We continued to provide the care, yes. I think the
11 contract transferred to DCR at that time, but --

12 Q. All right. Now, there was a new RFP sent out by
13 the State May 17, 2021, relative to the provision of health
14 care in West Virginia's prisons, jails, and juvenile
15 facilities. Correct?

16 A. Yes.

17 Q. And did PrimeCare West Virginia bid on that RFP
18 that came out May 17, 2021?

19 A. Yes.

20 Q. And PrimeCare West Virginia lost that bid in favor
21 of Wexford. Correct?

22 A. Yes. I believe the technical term is they actually
23 determined our response not to be responsive, threw it out,
24 and only us and Wexford submitted proposals.

1 Q. Okay. But be that as it may, PrimeCare didn't lose
2 the work -- PrimeCare West Virginia didn't lose the work in
3 West Virginia because of consolidation which occurred July 1
4 of 2018. PrimeCare West Virginia was not selected for the
5 RFP that came out May 17, 2021. Isn't that the most accurate
6 statement, Mr. Weber?

7 A. Yes, and if my earlier testimony clouded that, I
8 apologize. That was not my intent. We did not -- we were
9 not the successful bidder at the end.

10 Q. Okay. And meaning that it was the 2021 RFP which
11 PrimeCare West Virginia was not successful in gaining that
12 work, but PrimeCare West Virginia wanted that work. Is that
13 a fair statement?

14 A. Yes, we submitted a proposal.

15 Q. Okay. Now, in one of the questions about -- from
16 the trustee about records in this case, I want to make sure
17 that I ask a followup about this. You mentioned a data farm
18 in Virginia. Do you recall that, sir?

19 A. Yes. I believe it's in Virginia, but yes.

20 Q. Okay. Regardless of location, what types of
21 records does this data farm maintain?

22 A. Virtually all records of operations for PrimeCare
23 Medical of West Virginia as well as the parent entity and
24 PrimeCare Medical of New York. So we have 23-, 24-thousand

1 patients today. Their EMR is obviously accessible at the
2 facilities, but there's backups. I gave you all our
3 financial records. All of that type of data on the computer
4 is backed up and stored.

5 Q. All right. So let's break it down. Patient
6 medical records, how long in the State of West Virginia are
7 those required to be maintained, sir?

8 A. I believe it is seven years after the last date of
9 treatment.

10 Q. All right. So PrimeCare West Virginia would be
11 required to maintain patient records. If the last date that
12 you all operated here in West Virginia was June the 25th of
13 2022, you all should have patient medical records going back
14 to June the 25th, 2015. Is that about right?

15 A. Well, no. We should have patient records going
16 back to June -- well, let's take today as an example. We
17 should have records going back to February 15th of 2017.

18 Q. Okay. So your position is it would be from present
19 back seven years, not from the last date that PrimeCare West
20 Virginia treated a West Virginia inmate back seven years.
21 Correct?

22 A. Well, sort of, yes, and it's a little complicated
23 because it's the date of last treatment. So we can't just
24 purge all records as of February 15th of 2017. It would only

1 be any individuals we have not seen or treated since February
2 15th of 2017. So if the individual remained incarcerated
3 after that period of time or became reincarcerated, it starts
4 the seven-year period running anew.

5 Q. But PrimeCare West Virginia has treated no inmate
6 patients since June the 25th of 2022. Correct?

7 A. Correct.

8 Q. And your position is that you could have -- is that
9 PrimeCare West Virginia doesn't have to have seven years'
10 worth of medical records essentially locked into June the
11 25th of 2015? Do you see what I'm saying? You all haven't
12 treated any patients since June the 25th of 2022. Wouldn't
13 that have locked in the seven-year obligation to maintain
14 patient records?

15 A. Yes, but it's on a rolling basis. We will not be
16 freed of an obligation to maintain records until June 25th of
17 2029, and those records -- some of those records may go back
18 for a period of time much greater than that. So if we had --
19 if we have a patient that we saw in 2013, 2015, 2017, 2019,
20 2021, we have all of those records still, even though some of
21 them go back, you know, more than a decade.

22 Q. Because it goes from date of last treatment?

23 A. Last treatment, yes.

24 Q. Yes, sir. I understand that. Very well. Thank

1 you. Now, let's talk about other records that the data farm
2 in Virginia might maintain. Would PrimeCare's emails be
3 maintained at this data farm in Virginia?

4 A. We have -- we have storage onsite as well as that's
5 where all the backup goes, but yes, they would be the
6 repository of last resort for all of that stuff.

7 Q. All right. And how long does PrimeCare West
8 Virginia and the parent maintain emails?

9 A. Five years.

10 Q. Your medical records were used in a system called
11 CorEMR. Correct?

12 A. Yes.

13 Q. And at the time of the transition to Wexford, did
14 PrimeCare transfer its CorEMR account to Wexford, or how were
15 the inmate patients' medical records transferred from
16 PrimeCare CorEMR to Wexford, who I understand also uses
17 CorEMR?

18 A. Yes, but their CorEMR is different than ours. They
19 can be modified to provide certain treatment procedures that
20 one of us follows that the other may not, so a complete set
21 of the records would have downloaded and provided to Wexford
22 in a read-only format. Then they were provided with a laptop
23 with a full set of the records in that read-only, and our
24 system and their system worked together for a couple of weeks

1 during the transition so that the two systems could talk and
2 any essential data could be converted over to Wexford.

3 Q. And my understanding was that this is a license
4 that a correctional health care company has with the company
5 CorEMR and can basically make various settings for how you as
6 the end user want that to operate. Correct?

7 A. Essentially. CorEMR is -- there's a company that
8 created the electronic medical record known as CorEMR and did
9 the vast majority of the engineering and software writing for
10 that. With our agreement with Core, we have the ability to
11 go in and actually modify their platform to address some of
12 the things that we want. I am not aware of whether Wexford
13 has the same capability or not.

14 Q. Now, in terms of other records, we've talked about
15 medical records. We've talked about emails. What other
16 types of records are maintained through the data farm?

17 MR. FLUHARTY: And, Mr. New, this is Tom Fluharty,
18 and Mr. Weber, there is a debtor waiting at Joe Supple's
19 office, a consumer debtor. This is going for a while. Their
20 creditors meeting was scheduled for 10 o'clock. I'm going to
21 take a break on this case and take up that case. It will
22 take about three minutes, and then we'll come back to this.
23 Okay?

24 MR. WEBER: Thank you, Your Honor.

1 MR. FLUHARTY: Okay. So, Mr. New, Mr. Weber, Ms.
2 Davis, Ms. Kavitz, if you are listening, if you can sort of
3 pause and just -- I'm going to take up the Lambert case.

4 (Brief recess taken.)

5 MR. FLUHARTY: All right. We're all back. Mr.
6 Supple is there. Mr. Weber is there. Mr. New's there. Mr.
7 New, you can proceed with your questioning.

8 MR. NEW: Thank you.

9 BY MR. NEW:

10 Q. Mr. Weber, I'm sorry. We were talking about
11 records on the data farm when we broke. And we had talked
12 about emails. We had talked about medical records. What
13 other types of records are maintained at the data farm which
14 you believe may be in Virginia?

15 A. Essentially every record of our business operation.
16 I mean, it's similar to how law firms used to work where, you
17 may remember, Mr. New, where you had a paper file and you
18 would punch the correspondence and put in a folder and keep
19 it in your filing cabinet. Then when the case is over, you'd
20 hold onto it. Perhaps you would scan it into a computer or
21 not. Now, you know, all your stuff that comes in, you get
22 your deposition transcript and you put it in a folder in your
23 Rose case or whatever it is. Our operations are not
24 dissimilar to that now where bank records, we have daily

1 reconciliations of funds received, payments made, those are
2 all on a system, and that system is backed up.
3 Correspondence that we get, all of our audited financial
4 statements, our tax returns, all of them find them somewhere
5 in way to a designated electronic file and then are also
6 stored, so.

7 Q. At the period of time that PrimeCare West Virginia
8 had the contract with the State of West Virginia to provide
9 health care for inmates at regional jails, was there any type
10 of internal messaging program used by or among PrimeCare or
11 its parent's employees, aside from email?

12 A. Yeah, not -- not -- Email. I mean, there's like
13 our payroll system converted to Kronos, and there's a
14 scheduling component and messaging that you can do through
15 there like requesting time off. Some staff rely on text
16 messaging, but most of our facilities prohibit our staff from
17 having cell phones within the walls, so email tends to be the
18 most convenient vehicle, but we did not set up any separate
19 IM messaging or anything like that that was used on a routine
20 basis.

21 Q. Okay. With respect to PrimeCare of West Virginia,
22 if Ms. Davis asked this, I apologize, Mr. Weber. What
23 corporate services were provided by the parent PrimeCare
24 Medical, Inc., for PrimeCare West Virginia, like HR, payroll,

1 anything like that?

2 A. The corporate office here in Harrisburg
3 consolidates and then provides the majority of those systems
4 around the whole platform, and there's individuals that are
5 then assigned. You know, as I said, we had our separate West
6 Virginia VPs. We would have had our separate West Virginia
7 regional managers who would have been on the ground and
8 touring the places on a periodic basis. But our HR
9 Department is located here. Our Finance Department is
10 located here. Our Recruiting Department is located here, but
11 with the recruiters, you know, we have one or two that are
12 designated per state per facility. So, and then in preparing
13 our internal financial documentation, those resources are
14 supposed to be accounted for based upon who is providing the
15 work, but all the corporate employees themselves are
16 employees of PrimeCare Medical, the parent.

17 Q. Meaning, for instance, that -- then let's take HR,
18 for instance. The HR people are employed by the parent.
19 They provide services for various subsidiaries. Correct?

20 A. Correct.

21 Q. All right. Thank you. Let's talk now about the
22 insurance policies, and I'm not asking any opinions. I've
23 heard Mr. Supple's objections regarding SIRs and deductibles,
24 but I want to go policy by policy now, if I may, to ask who

1 paid this. There is a \$1.795 million premium on the 2019
2 policy for a 10 million dollar aggregate insurance policy
3 whereby PrimeCare Medical, Inc., was the parent and PrimeCare
4 West Virginia was an additional insured. Correct?

5 A. Additional named insured I believed is the term.

6 Q. Additional named insured. Who paid the \$1.795
7 million in premiums for the 2019 policy year?

8 A. The premium, the check would have been written out
9 of PrimeCare Medical, the parent.

10 Q. All right.

11 A. And then when preparing the financial statements
12 for the various entities and sites, a portion of that expense
13 would be apportioned across the board based upon ADP per site
14 or per facility in a state.

15 Q. Yes, sir, I --

16 A. But the payment itself was made by the parent.

17 Q. I understand that. And irrespective of whether or
18 not the \$250,000 is a deductible or an SIR, do you know
19 whether or not the 250,000 dollar deductible or SIR was
20 exhausted for 2019?

21 A. I can get that specificity information. I don't
22 know it for certain.

23 Q. Okay. Very well. Thank you. With respect --

24 A. That would have been 250 per claim, so I don't -- I

1 can't recall back in '19 whether the -- I believe it had been
2 on particular claims, but the aggregate had not been reached.

3 Q. What was the aggregate amount of SIRs that had to
4 be paid?

5 A. Again, I can get you that information, Mr. New. I
6 don't recall.

7 Q. Okay.

8 A. It's -- I would assume -- I mean, it typically
9 would have been a \$250,000 deductible per claim without an
10 aggregate deductible amount.

11 Q. Okay. Same question with respect to the 2020
12 policy. It indicates that a 2.75 million dollar premium. Is
13 your answer the same with respect to the parent paying it and
14 then it being reconciled and apportioned to various subs?

15 A. Yes.

16 Q. And I take it that if I ask you that same question
17 relative to 2021 and 2022 for the 1.2 million dollar premium
18 and the 1.05 million dollar premium for the 2022 policy, that
19 your answer would be the same, sir?

20 A. Yes, that's right.

21 Q. Do defense costs erode the SIR, to your knowledge?

22 A. Yes.

23 Q. And so you would likewise be able to provide the
24 trustee with whatever either PrimeCare Medical, Inc., the

1 parent, or PrimeCare West Virginia had paid for defense costs
2 which served to erode the SIR or deductible?

3 A. On each -- yeah, they could be broken down per
4 claim and then obviously totaled.

5 Q. Very well. You had mentioned in response to the
6 trustee's question that PrimeCare West Virginia was
7 essentially self-insured, and I know that Ms. Davis asked you
8 a number of questions about the Medical Professional
9 Liability Act. Sir, did either yourself or anyone else on
10 behalf of PrimeCare West Virginia ever work with the West
11 Virginia Insurance Commission in order to obtain the ability
12 for PrimeCare West Virginia to operate self-insure relative
13 to medical professional liability claims or civil rights
14 claims?

15 A. PrimeCare met with a couple of years ago -- we meet
16 on an annual basis with insurance brokers and agents to
17 explore what options are out there. A couple of years ago an
18 effort was made to explore the possibility of becoming truly
19 self-insured, and the problem that arose with that with the
20 operations in multiple states by the different entities so
21 that the funding source that would have been required for
22 each of the five states in which operations accrued under the
23 umbrella was financially prohibitive.

24 Q. Meaning that the bonds that you would have to post

1 in five different states made it not cost effective to
2 actually operate self-insured in each of those five states.
3 Correct?

4 A. Yeah, it made it financially impossible. The
5 resources weren't available to fund those bonds or put up the
6 cash collateral. There was also the possibility of looking
7 into forming a risk retention group, which on a federal basis
8 is an opportunity to try to avoid some of those funding
9 requirements on a state level, but that also was not a viable
10 option.

11 Q. And so back to my question relative to the
12 Insurance Commission. Did either you or anyone on PrimeCare
13 Medical or PrimeCare West Virginia's behalf ever deal with
14 the Office of the West Virginia Insurance Commission about
15 operating PrimeCare West Virginia in a self-insured manner?

16 A. No one on behalf of PrimeCare Medical of West
17 Virginia or PrimeCare had any of those discussions directly.
18 If any such discussions occurred, they would have been as a
19 result of insurance consultants reaching out, and I don't
20 know if they ever actually reached out to the State or merely
21 had familiarity with what the requirements were and relied on
22 that in doing a feasibility analysis.

23 Q. I understood your testimony to be, in response to
24 one of Ms. Davis's questions, that PrimeCare Medical, Inc.,

1 was the primary insured for the insurance policies that were
2 required under the RFP with the State of West Virginia.

3 Correct?

4 A. The policy -- the policy supplied to West Virginia
5 to approve the requisite insurance would have named PrimeCare
6 Medical as the named insured and it would have had an
7 endorsement identifying PrimeCare Medical of West Virginia as
8 an additional named insured.

9 Q. And it also -- the RFP required that the State of
10 West Virginia be an additional named insured, as well.

11 Correct?

12 A. I don't believe they're an additional named
13 insured. They're an additional insured. There's a subtle
14 difference in the insurance industry that I don't understand,
15 but it did require an endorsement that identified them
16 holding some rights including notice of not paying their
17 premiums, cancellation of coverage, things like that.

18 Q. And I believe I understood your testimony to be
19 that with the State of West Virginia, the contract that the
20 medical malpractice and the professional liability coverage
21 was one million per occurrence, three million in the
22 aggregate. Correct?

23 A. That's, yes, that's my understanding.

24 Q. Did either PrimeCare Medical, Inc. and/or PrimeCare

1 of West Virginia have, from 2020 to 2022, any excess or
2 umbrella insurance policies?

3 A. No, as to excess insurance policies that would
4 cover malpractice or professional liability. No, for the
5 same for umbrella policies. There is an umbrella policy not
6 applicable in place by PrimeCare Medical, Inc.

7 Q. Sir, with all due respect, regardless of whether
8 you or someone believes those policies are applicable, can
9 you provide those to your counsel?

10 A. Yeah, I have agreed to do so, yes. I provided the
11 med mal and the professional liability, and I'm pulling
12 together the general liability as well as the umbrella
13 information.

14 MR. NEW: All right. Mr. Weber, I appreciate your
15 time today. Thank you very much. Mr. Fluharty, Mr. Supple,
16 thank you.

17 MR. FLUHARTY: Mr. New, if you'll email me and tell
18 me the documents you'd like to have so I can coordinate that
19 with Mr. Supple, I'd appreciate it.

20 MR. NEW: Yes. Your email?

21 MR. FLUHARTY: It's six initials, T as in Tom, H as
22 in Harry, F as in Frank, A as an apple, another A as in
23 apple, and L as in Larry, those six initials, THFAAL at AOL
24 dot com.

1 MR. NEW: I'll send you that list. Thank you very
2 much, Mr. Fluharty.

3 MR. FLUHARTY: Thanks so much. Ms. Davis, do you
4 have any other questions?

5 (No response heard from Ms. Davis.)

6 MR. FLUHARTY: Maybe she's muted. She is muted.

7 MS. DAVIS: No, sir, I do not have any other
8 questions.

9 MR. FLUHARTY: Very well. Ms. Kavitz, do you have
10 any questions?

11 MS. KAVITZ: No, sir. Thank you.

12 MR. FLUHARTY: Thanks so much. All right. So
13 because I need to review the tax return and I may have a few
14 more questions, I am going to not conclude this meeting of
15 creditors. I am going to continue it to March 7th, 2024, at
16 9 o'clock a.m. Thanks so much for participating. Have a
17 good day.

18 (Meeting of Creditors Continued to March 7th, 2024.)

REPORTER'S CERTIFICATE

STATE OF WEST VIRGINIA,
COUNTY OF PUTNAM, to-wit:

I, Wendy M. Thomas, Notary Public within and for the State of West Virginia, duly commissioned and qualified, do hereby certify that the foregoing bankruptcy meeting of creditors was duly and correctly transcribed by me or under my direct supervision, and that the said transcript is a true record of the testimony given by said witness.

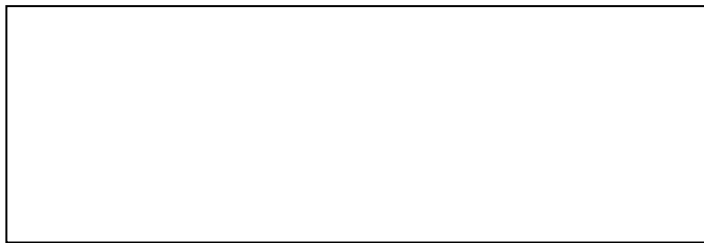
I further certify that I am not connected by blood or marriage with any of the parties to this action, am not a relative or employee or attorney or counsel of any of the parties, nor am I a relative or employee of such attorney or counsel, or financially interested in the action, or interested, directly or indirectly, in the matter in controversy.

I certify that the attached transcript meets the requirements set forth within article twenty-seven, chapter forty-seven of the West Virginia Code.

Given under my hand this 25th day of March, 2024.

My commission expires March 15, 2025.

Notary Seal:



Wendy M. Thomas
Certified Court Reporter
and Notary Public